Consumers' Guide

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Penny Specials

Consumer Queries and Comments

"To a large extent the kind of agriculture we wish to have in the United States of tomorrow depends upon the forces of technology, and how we propose to let them operate. It is not merely a question of how much corn, wheat, and cotton we can produce or ought to produce, or a question of where these great staples can most profitably be produced; it is even more a question of how to preserve and enlarge the economic opportunities of the great mass of farmers."

Henry A. Wallace,
Secretary of Agriculture.

HIRAM (Ohio) High School's graduating class this year tried a new kind of graduation ceremony. Instead of listening to an older generation review the perils and pleasures facing the young as they walk out into a competitive commercial world, these students invited their community to listen to them making speeches describing some of the conditions in this competitive world which the boys and girls had been studying and analyzing in their classes. Their program theme was: "A survey of the American consumers' present position and the possibility of its improvement." Results of a year's course on consumer problems were reviewed by six students.

THIS experimental course, described by one of the speakers, started with each student reading and reporting on several books dealing with consumer questions. "After reading the books various and conflicting reviews of them were read. By getting viewpoints of different authors a foundation was laid for the problems which later came up in the course. The second phase was devoted to projects covering the position of the consumer. The third part was the testing of common household commodities, such as canned peas, thermos jugs, and tooth paste."

EARLY in the course each student chose a particular phase of the consumer field in which to make a special individual study. One person prepared a report in which he described ways in which citizens of Hiram had failed to get full value for their money. Another student reported on methods by which Hiram consumers were saving money by intelligent buying of every day necessities. Labeling and advertising were also objects of special studies.

THREE years ago when prices began gently to nose their way upward, the Mayor of Youngstown, Ohio, suggested the organization of a Consumers' Council to do three things: First, investigate price changes; second, interpret to consumers legitimate and desirable price changes; and third, sound warnings to merchants who might not be playing fair with the recovery program... Three years have passed and the Consumers' Council organized at that time is still carrying on. Under the direction of Dr. George E. Eddy, a teacher of economics in the high school, the major activity of the Council has centered in its Bureau of Business Research. This Bureau gathers all kinds of data regarding economic conditions in Youngstown and makes them available to the community with an analysis simply written so that laymen as well as technically trained people can understand the material. It measures, too, changes in economic conditions in Youngstown against those in the country as a whole. Facts on food prices, factory production, employment, wages, retail sales, are all brought together in a monthly report. Just recently the Council has released a summary volume, No. II, covering August 1934 to October 1935 conditions. Consumer groups interested in the way this work is conducted and in its results should address their inquiries to Dr. George W. Eddy, Chairman, Mahoning County Consumers' Council, 320 Post Office Building, Youngstown, Ohio.

"HOW can I gauge the amount of cooked rice I get from a quantity of raw rice?" asks a Pennsylvania consumer. A general rule is that 1 cup of uncooked rice will equal about 3½ cups of boiled rice. Use about 2 quarts of water and 2 teaspoons of salt for cooking 1 cup of rice... Guides to cooking some of the best rice dishes are given in a new Department of Agriculture leaflet called "Cooking American Varieties of Rice." It is Leaflet No. 112 and will be sent without charge as long as the supply lasts. Requests should be addressed to the Department of Agriculture, Washington, D. C.

Pennies spent for different foods go different distances toward the goal of the day's quota of nourishment

ESTIMATES of the cheapness or expensiveness of food mean nothing if they figure only on the cost per pound, per quart, per cupful, or per serving. It's what we get for our expenditures in terms of value for our purposes that counts. Market baskets may weigh heavy on the grocer's scales for dollars spent and still turn out to be short weight when checked by what they offer toward the food needs of the family.

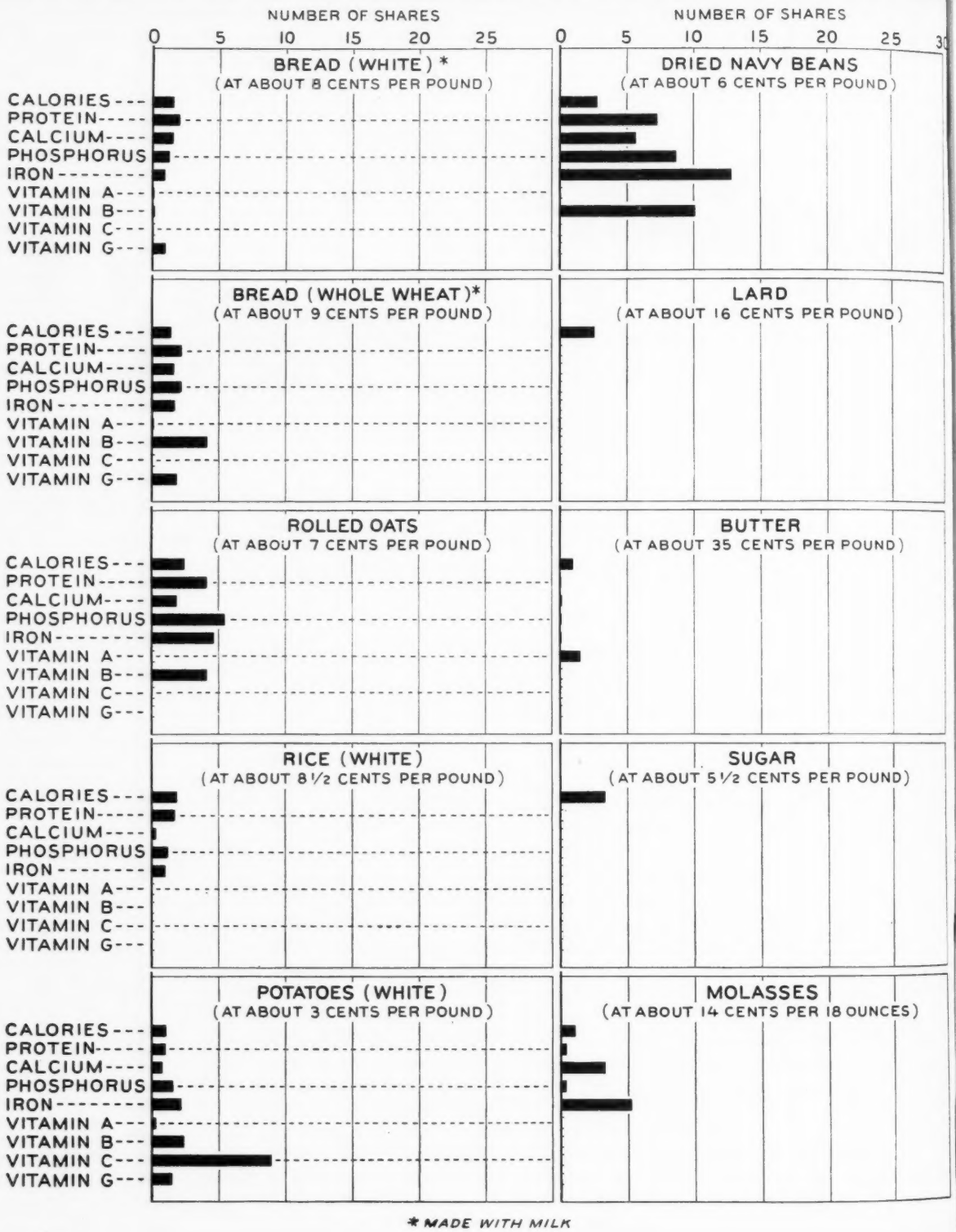
ECONOMY in buying food can be measured truly only by returns in food value for the money spent. Economists in the Bureau of Home Economics, leaving out only the element of personal preferences, have measured the returns in food value for one cent spent for some of our most common foods. The charts included in this article show strikingly which foods will pull their own weight in the budget, which come high in terms of what we get, and which are gilt-edge bargains.

MEASURES of food value are complicated things. We may need a definite number of ounces of one kind of nutrient but of another our needs are calculated by the thousandth of a gram and some of the intangible vitamins we can count only in terms of "units" which cannot be weighed at all. The trick for the nutrition economist is to find a medium in which all food values can be compared. For this necessary measurement nutritionists have devised the "share."

NUTRITIONISTS have learned human needs for some of the known nutrients. We need fuel for our daily activities. This is measured in terms of calories. We need protein for the amino acids to build new tissues in growing people and replace wearing tissues in all of us. We need many kinds of minerals, mostly in tiny quantities but each entirely irreplaceable for its special job of regulating the work of the body and building bones and blood. Three important minerals in which diets are often short are calcium and phosphorus for bones and teeth, and iron for good red blood. Then come the vitamins, less tangible but equally important stimulators of body processes, of which we do

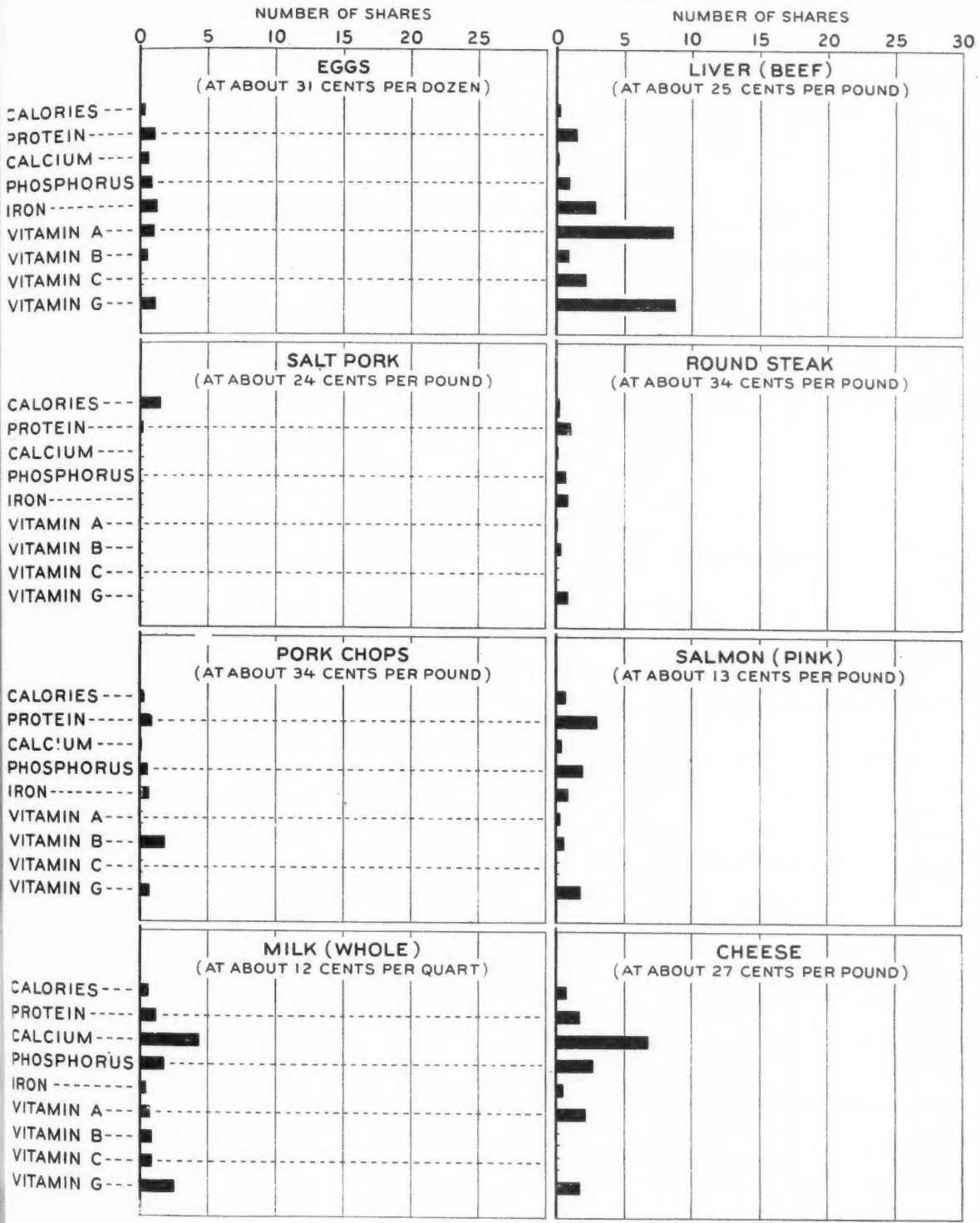
[Continued following charts on page 7]

How a Penny's Worth of Different Foods Compare in Essential Nutrients



*MADE WITH MILK

How a Penny's Worth of Different Foods Compare in Essential Nutrients



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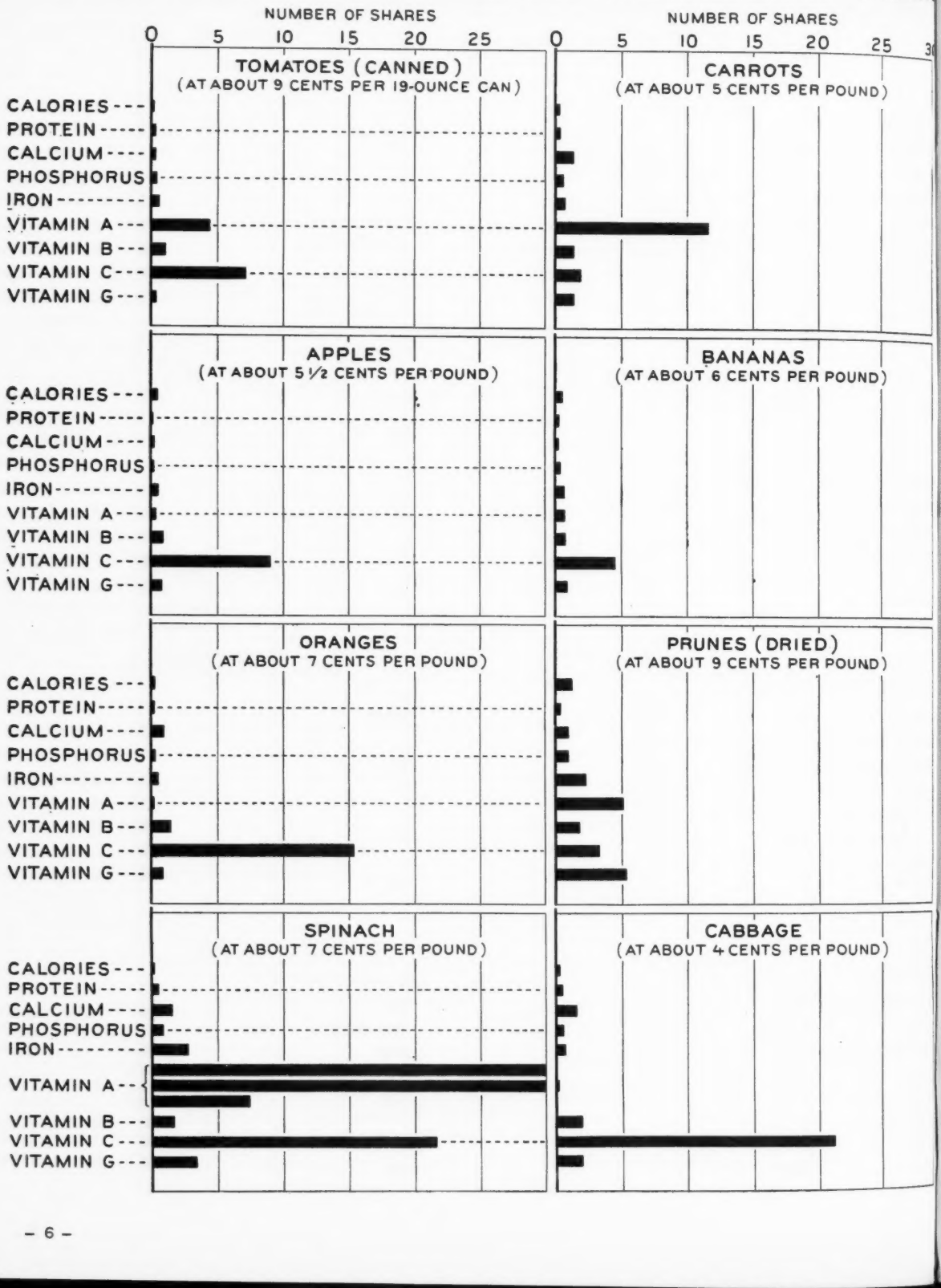


not yet know all the secrets. But vitamin research has given us some indication as to how much we need.

QUOTA of fuel from all foods, regardless of their other contributions, is known to be about 3,000 calories for a moderately active man. Breaking this day's quota up into 100-calorie portions, we get a "share" of calories that represents 1/30th of the day's requirement. Following this system for all the other food values, we find that 1/30th of the daily allowance of protein would be a "share" amounting to 2½ grams. 1/30th of the daily allowance of calcium is 23/1,000th of a gram; of phosphorus 44/1,000th of a gram; of iron 5/10,000th of a gram. 1/30th of the daily need of Vitamin A is estimated at about 200 units; a "share" of Vitamin B is set at 20 units; of Vitamin C, 2 units; and of Vitamin G, 20 units.

MEASUREMENTS like these are naturally not precise. They are as close as can be figured from facts shown so far by experiment and observation. But the bars on the charts do give a real if rough suggestion of the relative distances the same money spent for different foods can go toward meeting the day's needs of the different nutrients.

COMPARE the cheapness of the foods shown on the charts by how much they yield of the various nutrients and count the number of shares of different food values they give you for your penny. Ideal from a statistical point of view would be a portion of food making up a perfect cross-section of the day's requirements, containing exactly the same number of shares of each nutrient, so that 30 shares of the same food would give you the day's total requirements. But even milk does not provide such balance, though it comes close, pulling its weight for money spent in many different values, and rating as an especially cheap source of calcium. Its protein makes a better showing in the actual diet than on the chart because it is of specially high quality, able to lift the low-class proteins of cheap energy foods like cereals and beans into a higher class of value to the body. Dried navy beans make a surprising showing as a cheap source of calories, protein, phosphorus, iron and Vitamin B, but their protein is not as high in value as the protein of animal foods. They fall short too in Vitamins A, C, and G, so to make safe use of the cheap values of dried beans we must look elsewhere on the chart for cheap sources of the elements they miss. We find that spinach gives not just one whole day's quota of Vitamin A for a cent, but multiplies it by more than two (the body can store up this storable vitamin for a rainy day) and a cent's worth of spinach gives almost a day's quota of Vitamin C. Liver and prunes show up on the chart as candidates for the job of filling out cheaply any lacks of Vitamin G, along with a variety of other less rare values.

PRICES on which the charts present a penny's worth of food were those collected by the Bureau of Labor Statistics as average over the United States for May 5, 1936, in the stores where wage earners buy their provisions. Differences in price would of course change the picture to some extent. On most items shown in the charts there is no great seasonal variation in price. But in the case of oranges the price per pound is listed on the chart instead of the price per dozen, since the same per-dozen price may buy very different poundages of oranges in different seasons. At the time on which the chart was based oranges bought at 30 cents a dozen were "200's"—that is, the size packed 200 to the crate. That is just a shade on the small side of medium size, but not so small as might be bought for 30 cents at a time of year when supplies were lower and prices higher.

USING the chart to calculate the best ways to get food values for your food money, remember that you are not looking at a comparison of nutrients in identical quantities of different foods. The chart does not show the difference between a pound of oranges and a pound of apples in terms of food value. What is shown is the differences in what the same money will buy of different foods. A higher price per pound will shorten up the bars that measure food value, and a lower price per pound will stretch them out. If the chart were comparing values by pound instead of penny's worth, eggs would take a showier place with their multiple excellences. If your egg money is unlimited you can do your own multiplying of the values you get in the egg department of your diet. But for rockbottom budgets the charts should make it easier to plan menus for which every penny spent does the biggest job a penny can do in the direction of health for the family.

Canada

A busy shopping street in Toronto, Ontario, Canada's second largest city.

A Canadian Royal Commission, instructed to look into the causes behind the spread between producer and consumer prices, surveys some of the difficulties in consumer buying and suggests ways around them.

SEARCHLIGHTS on consumers' problems, even though they play on foreign fields, are pretty sure to light up some question troubling consumers here. Not often does material printed in the GUIDE reach out of the United States for its sources. But since problems of consumers pay only slight homage to boundary lines, studies made in neighboring lands have importance to consumers at home.

TWO YEARS ago Canada's Parliament appointed by resolution of the House of Commons 11 of its members to serve on a Royal Commission. The job it gave to this Commission was to investigate the Canadian system of distribution of farm and manufactured products. The Commission was instructed also to look into the causes behind the large spread between prices received by producers and prices paid by consumers.

COURTESY CANADIAN PACIFIC RAILWAY

A Canadian apple orchard. Growing and marketing of apples is Canada's most important fruit industry.

BROAD POWERS were given to the commissioners in their researches. Not only were

Looks at Consumer Problems

they to investigate the facts but also to recommend measures "necessary to secure, as far as possible, fair and just returns to producers, employees, and employers, not inconsistent with the rights of consumers."

PLUNGING to their task, the Commissioners held 125 sessions; listened to 270 witnesses, including Federal and provincial government officials, private individuals, representatives of public bodies, corporations, cooperatives, and trade associations; received numerous petitions and written representations; and gathered verbatim evidence running to 8,277 printed pages. On April 9, 1935, the Commission issued a 500-page summarizing report,* including a full chapter on the status of the consumer with regard to merchandising and marketing. We give here a brief summary of their findings. Since the submission of this report, Canada's government has changed hands. The publication of the following summary is not intended to imply that the findings of the Commission have the endorsement of the present administration or that its consumer recommendations will be acted upon by Parliament.

"CAVEAT EMPTOR", that old slogan "let the buyer beware", today takes on new significance, remark the Canadian Royal Commissioners in their final report. "The buyer may still beware, but he no longer knows of what he must beware." On the open market, they observe, the average consumer finds himself confronted by an enormous display of merchandise. New developments in science and technology tend to increase still further the number of different commodities offered for sale. Adding to the confusion of variety is the pressure of present-day business methods that new items and articles constantly appear before the public.

BRAND NAMES or trade marks, the Commission finds, often give no

* "Report of the Royal Commission on Price Spreads", 1935. Available for $1.00 from I. O. Patenaude, Ottawa, Canada.

[Above] Cattle on the range in the Alberta Peace River country. According to latest obtainable figures, the cattle industry is the most important agricultural industry in Canada. [Right] Canada, like the United States, has a federal form of government. Its ten provinces have their own provincial governments performing many consumer services. Its federal Houses of Parliament meet in these buildings at Ottawa.

clue as to the quality of the goods they label. In some cases where a brand name has gained a measure of public recognition for satisfactory service over a term of years, consumers have no way of knowing if or when the products covered by the trade name are in any way changed. Often the retailer himself cannot tell what is inside the cans or packages he sells. In many cases the consumer takes on faith alone the quality of the goods he buys. These conditions, along with others mentioned below came to light both through evidence presented at the hearings, and through independent investigations made for the Commissioners by the Department of Trade and Commerce and the National Research Council (a Canadian agency similar to the United States Bureau of Standards, described in the CONSUMERS' GUIDE for July 13, 1936).

"THE NECESSITY for consumer protection", wrote the Commission, "was made apparent by the results of the investigation carried out by the National Research Council at our request." Here are some of the results reported by the Council: Certain inferior products on the market carried the names of nonexistent manufacturers. Prices bore little relation to quality. Some products were injurious to health. Others were sold under trade names which gave no indication of the contents. Labels on wool products did not make clear whether the ingredients were chiefly virgin wool or shoddy. Tests of cotton goods samples showed that filler was often present in materials where it was advertised to be absent. Other textiles shrank more than the advertising said they would. Tests on 24 samples of so-called "pure silk" showed that 5 samples contained no silk at all, and 17 contained from 2.4 to 66.9 percent of inorganic weighting material.

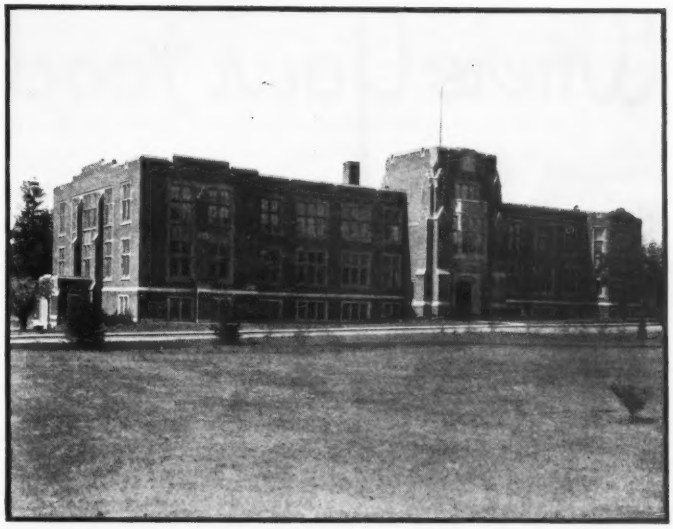
EVIDENCE gathered from numerous sources over a period of many months revealed other practices harmful to the interests of Canadian consumers. In the words of the Commission, such practices include: "false and misleading advertising and marking; misleading statements as to quality of products, including designation of grades of goods likely to confuse or deceive rather than inform the consumer; uncertainty of specifications and formulae of manufactured products; adulteration; substitution of cheaper or inferior goods; harmful or poisonous ingredients; exorbitant prices for essentially simple and inexpensive products, when sold under a brand or trade mark; short weight and unjust scales; and deceptive packages and containers."

SUCH conditions the Commission observed, reported on, and set out to rectify. "The first essential of consumer protection", says the Commission's report, "is that the name of a product should have a definite and determinable meaning. Everyone will agree that the words 'wool', 'silk', and 'silverware' should mean wool, silk, and silverware, although it is evident that frequently they do not. These terms are fairly well-defined in the mind of the purchaser. But there are many other products in general use, which are inadequately defined. Some examples taken from the evidence include gasoline, putty, jam, paint, and soap, products which can only be defined by technical chemists."

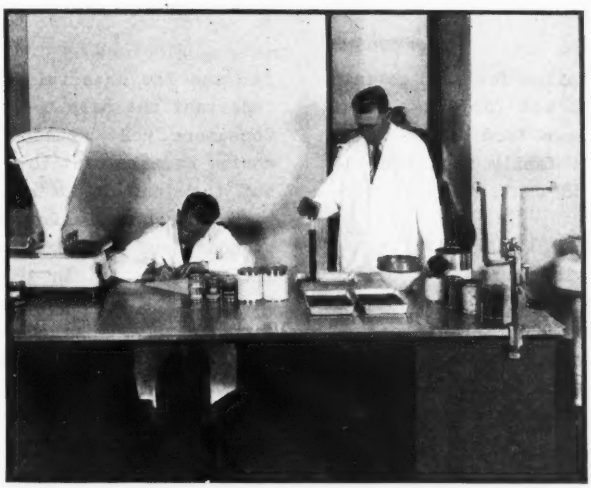
COURTESY WILLIAM D. BOUTWELL

Under the gray citadel walls of Quebec, country folk hold market for produce which they have brought in skiffs.

LARGE-SCALE BUYERS have for years done their purchasing on a definition or specification basis, and have developed clear systems of grading for their own use. Most governments also purchase according to specifications, but so far very little of this sort of protection has filtered through to the consumer. "Unfortunately", wrote the Commissioners, "little has been done either to develop standards for the information and protection of the consumer or to make available to him the standards prepared for the producer and manufacturer. There are, of course, certain exceptions, such as foods and drugs (though here the intention is rather to prevent the sale of harmful or poisonous substances than to develop informative standards), and the grading of canned foods."*



In the Canadian provinces there are about 30 experimental stations and farms where research specialists investigate problems of plant and animal husbandry, and methods of improving crops and herds. This is one of the buildings on the Central Experimental Farm in Ottawa.



Canadian experts testing canned foods for quality. All canned fruits and vegetables sold to Canadian consumers must carry a government-certified label explaining the quality grade.

SUGGESTIONS of ways and means for establishing consumer standards then follow in the Commission's survey. Preparing standards and specifications, and analyzing and testing consumer products should become, according to the Commission's report, functions of the National Research Council, the agency which has already prepared purchasing standards for the government. This Council would encourage the same whole-hearted cooperation it has received from manufacturers of products under study during preparation of government standards. Mutual discussion of problems would be to the best interest of the consumer as well as the manufacturer.

STANDARDS, if the Commission would have its way, would be promulgated by a proposed Consumer Commodity Standards Board, with members from various government departments, including the Federal Trade and Industry Commission, the Department of Trade and Commerce, and the National Research Council. In working on standards such a Board would consult with representatives of trade, industry, and the consumer.

ANY CONSUMER, according to the recommendations of the Royal Commission, should have the right to present any product to the already existing National Research Council for analysis or test. The Council should then report as follows: "(1) on the ingredients insofar as such information may be necessary to the proper use of the product; (2) as to any adulterants and

[Continued on page 18]

*Compulsory grading of certain canned foods has been in effect in Canada for many years.

Where Your Food Money Goes

A new study of 58 foods shows how much of your money finds its way back to the farmers who produced the raw materials for your food

DOLLARS you pay the retailer for food go into the cash register but not for long. Last year 42 cents of the average food dollar spent by a typical workingman's family went back to farmers. The remaining 58 cents went to distributors and processors.

FARMERS' share in your food dollars is not fixed. It varies from time to time. Shortly after the war, in 1920, farmers got 53 cents of each dollar spent by consumers. In 1929, when food cost you considerably more than it does now, farmers got 47 cents. In that year distributors and processors kept 53 cents. By 1932, when your food costs were considerably less than now, farmers' share had dropped to 33 cents.

MARGINS between the price you pay for food and the price which farmers receive for the raw materials in the food you buy are important not only to consumers but to farmers. Consumers want abundant food supplies at low cost. Farmers want to produce abundant supplies but they can do so only if their returns are high enough to allow them a reasonably good standard of living. The abundant supplies farmers produced in 1932 did them little good because the low prices they received forced farmers' living standards down to dangerously low levels. Such abundant supplies did little good to millions of consumers whose incomes had been so seriously slashed that they could buy

Food represented by these 58 products which cost a workingman's family $1.00 in 1929 cost an average of 64 cents in 1933 and 80 cents in 1935.

little of anything. To restore farmers' capacity to produce an abundance, required in 1933 an increase in farmers' incomes which could be accomplished either by raising prices to the consumer or by increasing the farmers' share of the consumers' food dollar.

COMMON to farmers and consumers is their interest in seeing reduced costs between farm and city retail stores and increased efficiency in the production and distribution of foods, because that opens the way not only to better prices to farmers but also to lower prices to consumers. Research on price spreads must come first to show where improvement in the efficiency of marketing can bring about this two-way gain.

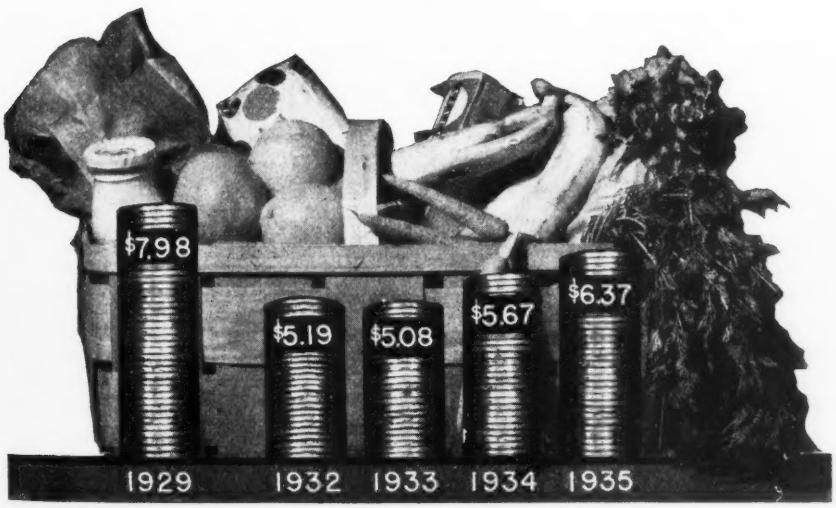
MEASURING the spread between prices farmers receive and prices consumers pay is one problem dealt with by marketing-research men of the Bureau of Agricultural Economics. A preliminary survey completed in March 1935 brought together the price data on 10 foods from 1910 to 1934. Your GUIDE for April 8, 1935, told the story of "Who Gets Your Food Money" spent for 10 of these commodities at that time.

WORK of gathering the information on price spreads goes on continuously. Recognition of the need for facts on price spreads and other marketing problems, such as transportation of foods from farm to market, led to the creation of a new Division of Marketing Research within the Bureau of Agricultural Economics. A report published by this new division in July 1936 now summarizes the total spread between values of 58 food items at the farms and in city retail stores. Title of this report is "Price Spread Between the Farmer and the Consumer" and can be obtained by writing to the Bureau of Agricultural Economics, Washington, D. C.

FARM prices, retail prices, and farm-to-retail price spreads for 58 foods for the period 1913-1935 are analyzed in this report. Investigators took the 58 most important foods—which represent about 75 percent of all foods purchased by workingmen's families—and studied prices for each. They compared the average U. S. farm price for each commodity with the average U. S. retail price as reported by the Bureau of Labor Statistics. Stacking these up, they got a picture of the spread for each of the 58 commodities for the country as a whole. To get an estimate of the amount of each consumers' food dollar going to farmers for the whole group of foods, they gave the figures for each food the same relative importance which that food has in national consumption.

PROFITS—whether large or small—were not a concern of the Bureau of Agricultural Economics. Nor did these experts analyze transportation, processing, or marketing costs. Their objective was simply to measure average shares in consumers' dollars going to farmers and to all other groups, these shares representing both costs and profits, if any. A study being conducted by the Federal Trade Commission on costs of distribution, described in your copy of the GUIDE April 6, 1936, may provide facts on costs and profits.

CALCULATING the price spread between farmers and con-



Actual cost of 58 foods in the average amounts purchased weekly by a workingman's family stepped down from $7.98 in 1929 to $5.08 in 1933 and climbed up to $6.37 in 1935.

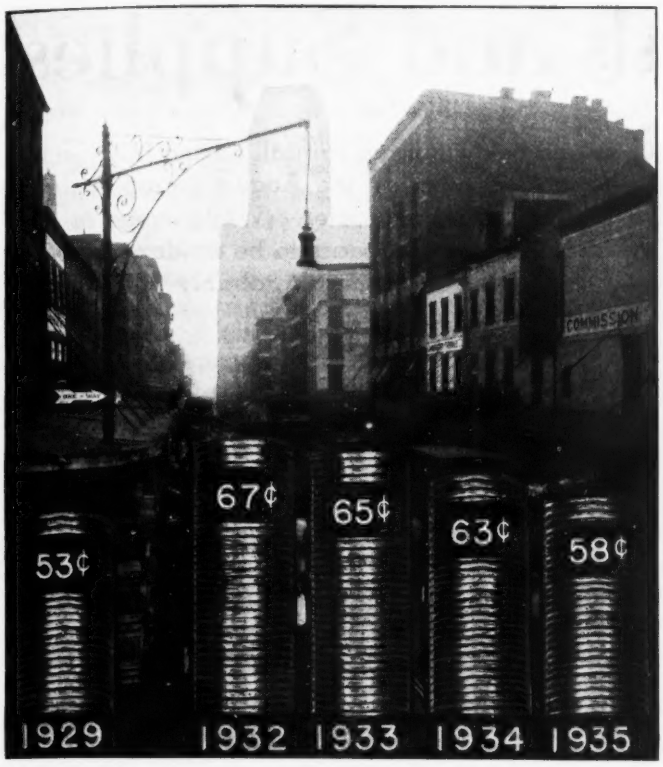
sumers for products which do not change in form is relatively easy. For example, to calculate the farm-to-consumer spread for eggs, investigators subtracted the average farm value of one dozen eggs, which was 24.1 cents in 1935, from the average retail price in 1935, which was 36.6 cents. This gave 12.5 cents as the spread between farmer and consumer prices at that time. These 12.5 cents represent 34 percent of the price consumers spent in 1935 for a dozen eggs. Out of each dollar, then, going for eggs, consumers gave 34 cents to processors and distributors and 66 cents to farmers.

Farmers' share in each dollar which city consumers spent for the 58 foods shrank from 47 cents in 1929 to 33 cents in 1932 but increased gradually to 42 cents in 1935.

PRICE spreads for foods like bread, soda crackers, canned fruits and vegetables, which undergo extensive processing before being sold to consumers, were more difficult to estimate. For example, flour, milk, sugar, lard, yeast, and malt are all used in baking bread. Determining the farm value of each ingredient used in bread involved too much time and money, so investigators estimated the value of the major farm product—wheat. The average loaf of bread contains flour from 0.97 pounds of wheat. To get the price spread for a loaf of bread the experts subtracted the farm value, which was 1.4 cents in 1935, from the average retail value of a pound loaf which was 8.3 cents in 1935, leaving a margin of 6.9 cents. These 6.9 cents represent 83 percent of the total price paid by consumers on a loaf of bread. In other words out of each dollar spent by consumers for bread in 1935, 83 cents went to pay for all ingredient costs other than wheat and all charges of distributors and processors. Wheat farmers' share was 17 cents.

NOW take a look at how the shares of farmers and others stack up for all 58 foods studied. Between 1929 and 1933 the estimated retail value of the 58 foods purchased weekly by a typical workingman's family stepped down from $7.98 in 1929 to $5.08 in 1933. In 1935 the same foods in the same amounts cost consumers $6.37. Looking once more at the actual figures, distributors' and processors' share of the weekly food expenditures was $4.23 in 1929 and $3.31 in 1933. With improving consumer demand and increased prices their share increased to $3.71 in 1935. Farmers' share shrank from $3.75 in 1929 to $1.77 in 1933, but stepped up again to $2.65 in 1935.

PICTURE of farmers' share and distributors' and processors' share as described here is not entirely accurate for it fails to take into account processing taxes collected from processors of certain agricultural products during 1933, 1934, and 1935. These taxes, collected by the Government, formed a general fund from which farmers received benefit and rental payments under the former Agricultural Adjustment Act. All processing taxes stopped on January 6, 1936, following the decision of



From each consumer dollar spent for the 58 foods, processors' and distributors' share increased from 53 cents in 1929 to 67 cents in 1932 and stepped down to 58 cents in 1935.

the Supreme Court on the Hoosac Mills Case, reported on in our January 27 issue of the GUIDE.

PRICE spreads discussed here include these taxes paid by processors. To the extent that processors paid into the Government processing taxes and did not receive refunds, processors actually got a smaller share of the consumers' dollar spent for 58 foods than appear in these figures. Farmers actually got a bigger share than indicated by the figures in cases where they received benefit payments. Processing taxes on the amounts of wheat, rye, rice, hogs, corn, peanuts, and sugar included in the weekly purchases of a workingman's family as pictured on page 13 amounted to about 4 cents in 1933, 19 cents in 1934, and 21 cents in 1935.

BIGGEST concern of farmers during a period of falling prices centers in the fact that the percentage drop in prices at the farm is generally bigger than the percentage drop in prices paid by consumers. Farmers not only get fewer dollars for their crops and livestock, but they take a larger relative cut than either consumers or processors and distributors.

ASSUME that a food product sells one week for 10 cents and that the farmers get 2 cents, leaving 8 cents for processors and distributors. Next week, let us assume, the selling price of this food drops 2 cents, that the costs of distributing and processing the product are cut 1 cent and the farm price is cut 1 cent. Consumers can now buy this food for 8 cents, or 20 percent less than before the price drop. Distributors and processors get 7 cents, or 12½ percent less, but farmers, whose returns are now 1 cent, take a 50 percent cut.

THESE are not actual figures but they serve to illustrate what took place between 1929 and 1933 when the retail value of the 58 foods dropped 36 percent. Distributors' and processors' charges stepped down only 22 percent. Farmers' prices shrank 53 percent.

THE OPPOSITE usually occurs during an upswing in prices. Consumers pay more for food. Farmers and distributors get more dollars, but farmers' returns increase faster because the percentage increase in prices at the farm is bigger than the percentage increase in prices paid by consumers. To illustrate this point assume that a food product sells one week for 8 cents and that the farmers get 1 cent, leaving 7 cents for processors and distributors. Now assume that during the next week the selling price increases to 10 cents representing a 1 cent rise in the cost of processing and distributing the food product and 1 cent rise in the farm price. Processors and distributors get 8 cents, or 14 percent more than before the increase in price. Farmers whose returns are now 2 cents get 100 percent more.

ACTUAL changes of this kind appeared in the years between 1933 and 1935 when the

[Concluded on page 19]

Your Food Costs and Supplies

High temperatures and below normal rainfall during July resulted in further damage to food supplies, the August 1 crop report of the Department of Agriculture indicates. While crops in most cases are below average, there appears to be no danger of any acute food shortage. Supplies in general probably will be larger than in the year following the drought of 1934.

CORN, spring wheat, and potatoes suffered the most drought damage during July. Yields of vegetable crops growing in the late producing States also were curtailed, but if heavy rains fall during August some improvement in yields may be expected. Fruits as a whole improved during July, but prospects still were for a much smaller crop than in 1935. Winter damage to trees coupled with late spring frosts rather than the drought are primarily responsible for the decline in fruit production. Drought, however, has decreased sizes of some fruits.

EFFECT of the short corn crop will be felt indirectly by consumers in the form of reduced meat supplies in 1937 since 90 percent of the crop is used for producing hogs and fattening cattle and lambs for market. A short corn crop disrupts the usual marketing plans of farmers and sends more than the usual number of animals to slaughter during the fall and early winter months. Consequently, smaller supplies are available during the following spring and winter.

COMING to market earlier than usual, a larger than usual proportion of the animals are of the lower grades. The livestock situation this year probably will not be as serious as in 1934, when drought sharply reduced the number of livestock on farms, because there is a smaller number of grain-consuming animals on farms, and feed grain deficiencies will be offset partly by larger hay supplies.

SMALLER spring wheat supplies, but larger winter wheat production than in 1935, is indicated by the August 1 crop report. This year's spring wheat crop forecast of 114 million bushels is 46 million bushels below 1935. This decline will be offset in part by a winter wheat crop 55 million bushels larger than a year ago. However, due to different types of wheat produced in the winter and spring crops, domestic supplies of durum wheat, which is used mainly in the manufacture of macaroni, and hard spring bread wheat, are expected to be below domestic requirements. About 40 percent of the winter wheat crop is soft wheat which is used mainly for cake and pastry and not suitable for bread.

OLD potato supplies this fall and winter are forecast at 75 million bushels below the 319 million bushel crop of 1935. Dry weather in the Central and Western States more than offset improved growing conditions in the New England and Pacific coast areas and consequently production estimates declined 20 million bushels from July 1 to August 1. Potatoes now coming to market are from the intermediate producing States with some small shipments of early varieties from the late producing States. The trend of wholesale potato prices during the past month has been downward as is uusal at this time of the year. On the basis of conditions in earlier short crop years it appears that prices will reach their low in September or October and then advance.

TRUCK crops also have suffered from the drought. Late domestic cabbage production appears to be about 43 percent smaller than a year ago, but onion supplies from the late producing States are expected to be slightly larger than in 1935. Cabbage production was hampered by dry weather at planting time which made it difficult for plants to take root. August rains may increase production of both crops since major movement to market in each case does not occur until October.

CORN and snap bean supplies for canning are expected to be smaller than a year ago, but both crops probably will be larger than during the drought year 1934. Corn exhibited the sharpest decline due to drought and on August 1 it appeared that supplies available for canning would be 536,400 tons compared with 860,000 tons in 1935 and 498,000 tons in 1934. Part of the smaller production will be offset by a larger carry-over of canned corn than at this time a year ago. This year's snap bean crop for canning is estimated at 17 percent below 1935 with the crop amounting to 68,000 tons as compared with 66,000 tons in 1934. On the basis of August 1 condition, the total supply of canned vegetables is expected to be 12 percent less than the large supply in 1935-36, but 16 percent above supplies in 1934-35. Wholesale prices of most canned vegetables rose sharply during July and are now considerably higher than a year ago.

APPLE, pear, and grape shipments increased seasonally during July and supplies of these fruits should reach their peak in September and October. Pears are the only major fruit crop (except citrus) to exhibit above average production this year and the 1936 crop is expected to be 7 percent above last year. Commercial apple production is expected to be the smallest crop since records were started in 1919, amounting to 64.5 million bushels as compared with 94 million bushels in 1935. Apple production has been declining yearly due to a decrease in the number of bearing trees, but the decline this year was accentuated by winter damage to apple trees and late spring frosts. Grapes showed some recovery during July from the effects of spring frosts, but the 1.8 million ton crop indicated on August 1 was 17 percent below average. Most of the decline was in raisin and table grapes since production of California wine grapes is expected to be 6 percent above average.

MEAT supplies during July, with the exception of lamb, were larger than a year ago. Hogs registered the only decline in Federally inspected slaughter from June, and here the change was seasonal. Because of the present shortage of feed supplies, it appears probable that slaughter this fall will continue larger than a year ago. During the first 7 months of 1936 slaughter of hogs was 22 percent higher, cattle 16 percent higher, calves 5 percent higher, and lambs 5 percent lower than during the same period in 1935.

SECOND largest cattle slaughter on record occurred during July. Heavy marketing of grain-fed cattle, because of advancing feed costs, and some liquidation of grass cattle due to dried up pastures, resulted in Federally inspected slaughter 25 percent above July 1935. The present outlook is for a large slaughter of cattle this fall with the lower grade animals comprising a larger than usual proportion of the total.

MILK production exhibited a more than seasonal decline during July and on August 1 appeared to be about 5 percent below a year ago. Pasture conditions in important dairy areas were about the lowest August 1 on record and farmers were resorting to heavy feeding of hay and grain to keep production from dropping too sharply. Increased butterfat prices offset in part higher feeding costs. Producing areas were not affected equally by the drought for production in the Northeast and far Western States was well above average on August 1. Butter storage stocks on August 1 reflected lower production and were still below average, amounting to 103 million pounds as compared with 150 million pounds a year ago. The effect of increased feeding costs, smaller production, and short storage stocks caused the wholesale price of 92 score butter in New York to advance 1½ cents to 36 cents a pound the first week in August.

EGG receipts at major markets during July were 7 percent larger than a year ago, but the increase over 1935 was smaller than during previous months. Egg production usually declines in the summer until the seasonal low point is reached in November. The decline in production during the latter part of July appears to have been more than seasonal due to high temperatures, which decreased the number of eggs laid per hen and which also raised feed prices so that farmers culled their flocks heavier than usual. Heavy culling of flocks was reflected in July poultry marketings 23 percent larger than in 1935 and 3 percent higher than in June. Marketing of young chickens was especially heavy and this indicates that there

will be a much smaller increase in the number of layers in 1937, than was expected earlier in the year. Storage stocks of eggs on August 1 were close to their seasonal peak, amounting to 7.3 million cases compared with 8 million cases a year ago. Low storage stocks, lowered production due to the drought, and increased consumer demand should cause more than seasonal price increases this fall with prices expected to be above 1935 levels.

FEDERALLY inspected hog slaughter exhibited a smaller than usual decline during July and was 57 percent larger than a year ago. Hog slaughter usually declines until October, when the spring pig crop begins to arrive at market. This year early marketing of spring pigs and some liquidation of sows is expected to result in a smaller than usual decline in slaughter, and a smaller than usual increase in prices during September. Heavy marketing of hogs during July caused storage stocks of both lard and pork to increase. Lard stocks customarily reach their peak on August 1, and then start moving down until December 1. Stocks of lard and pork are still 20 to 30 percent below average.

CANADA LOOKS AT CONSUMER PROBLEMS

[Continued from page 11]

harmful, injurious or deleterious substances it may contain; (3) as to its quality and probable performance and efficiency; (4) and as to its conformity to official standards and specifications." The Council would render this consumer service for a nominal charge, with the reports to be used by consumers alone, and not for advertising or commercial purposes.

ENFORCEMENT of consumer standards, according to the recommendations of the Commission, would proceed somewhat as follows: The proposed Consumer Commodity Standards Board would examine and report on products in retail trade. If any products contained injurious substances, or did not conform to standards, the evidence would be made public, either by the National Research Council or the Federal Trade and Industry Commission. Wide publicity would also accompany evidence of any excessive or exorbitant price spreads. Prosecution by competent authority would follow all cases of violation of law.

PAINT becomes plain mud when enough foreign matter is added to it. But who knows the exact point at which paint becomes something else, and loses its right to the name "paint"? What is the difference between celluloid and real ivory, or colored crystal and precious stones? This is a question of definition. Another of the recommendations of the Royal Commissioners is the compilation of a dictionary of names of products for use in trade. The National Research Council and trade associations in each industry in such a project would cooperate in compiling the dictionary. Definitions adopted would then be acceptable in commercial transactions and in law courts, to the equal advantage of consumer and manufacturer. Existence of such a dictionary, with its definitions of trade names, in the opinion of the Commission, would be a strong force in preventing adulteration.

EVIDENCE of irregular practices in marking and labeling products also came to the Commission's attention. Numerous items, they reported, were being sold with the name of a fictitious company on the label. The Commission recommended that the true manufacturer of every product sold at retail should place his name and address on every label or package. For products conforming to established standards and specifications, the Commission recommended further that the term "Canada Standard" be displayed on the label.

GRADING of materials and products not sold directly to the consumer is generally based, according to the Commission's survey, on a system of numbers. Grade 1 indicates best quality, Grade 2 next best, and so on. This system of grading wins the Commission's approval, but the grades used on products sold to consumers, the Commission found, were often vague, sometimes tending to hide rather than reveal the true quality. When a grading system includes terms like "fancy", "choice", "standard", and "second" (these are the grades used for Canadian canned foods), it is not obvious at once, the Commission believed, where any one grade stands in the series. Consequently, it recommended that only numerical grade designations be used for consumer goods, and also that labels carry a clear statement of important ingredients. The Commissioners recognize that standards of quality cannot be absolute or perfect; they do hold it

essential, however, "that the consumer be given a reasonably clear idea of the nature and quality of what he buys."

MORE severe punishment for merchants who deliberately give short weight, and more effective supervision of weights and measures are also among the Commission's recommendations. The Commissioners felt that the establishment of standard package sizes for each commodity, with net weight clearly and conspicuously marked on every package, would help relieve the situation.

FALSE and misleading advertising was the next subject the Commissioners turned their attention to. Some advertisers, they found, exaggerate the virtues of their product to an extreme and raise prices accordingly. Others include a small number of high-grade articles as bait in a general sale of lower-quality goods. "While no deliberate untruths were published", the Commission reports in a specific case, "an implication was given that the bulk of garments offered in the sale were of like quality to those featured."

ADVERTISING put forth with intent to confuse or deceive is harmful not only to consumers, but also to competitors. It works directly to the disadvantage of the merchants who attempt to give honest value, by forcing them to suffer unfair competition. The Commissioners make specific recommendations to clarify and strengthen the existing laws concerning advertising.

"WE ARE also of the opinion", the Commissioners held, "that statements of performance, life, or efficacy of products are generally made with uncertain knowledge and seldom on the basis of comparative experimental tests." For this reason the Commission recommends that the Criminal Code be amended "to make any statement or guarantee, of performance, efficacy or length of life of any product, which is not based upon an adequate and proper test of such performance, efficacy, or length of life, an offense in itself, and to place upon the defendant the burden of proving that such a test has been made and that the statement or guarantee is based upon it. A test by the National Research Council or other competent department of the government shall be considered an adequate and proper test, but no reference should be allowed, in advertising, to the fact that a test has been made by the National Research Council or other government body."

SUPERVISION of the whole field of consumer legislation, the Commissioners recommend, should fall within the scope of a proposed permanent Federal body. This office would act also as a coordinating and prosecuting agency. New laws to help the consumer need proper enforcement.

"COMBINED EFFORT on three fronts, namely, consumers, trade associations, and government", say the Commissioners, is necessary to deal effectively with the various problems of consumer protection. "Few of the evils, disclosed in the evidence, by which merchants have been able to impose upon their customers could persist in the face of an active, intelligent and organized public opinion. The difficulty of consumer action is that it is not an organized or special interest and has no representation other than the State. It is, therefore, the function of government to pay special attention to the interests of the consumer."

WHERE YOUR FOOD MONEY GOES

[Concluded from page 15]

retail value of the 58 foods climbed 25 percent; distributors' and processors' charges increased only 12 percent; farmers' prices increased 50 percent.

CONSUMERS, farmers, processors, and distributors want to eliminate unusual price fluctuations which make consumers' living precarious and the business of growing and marketing food risky. Marketing research—getting the facts on how food is brought from farmers and placed within reach of consumers in a form ready to be prepared and eaten—might help to eliminate these price fluctuations. Putting into effect the results of research which shows where the marketing system can be made more efficient, perhaps would lead to lower food prices thus increasing the volume of food purchased by consumers at the same time swelling the income of farmers, processors, and distributors. Increased income all around with lower food costs would provide a bigger spending power. Farmers could then increase their purchases of the city workers' products, and city workers could buy more from farmers.

Our Point of View

THE CONSUMERS' GUIDE believes that consumption is the end and purpose of production.

To that end the CONSUMERS' GUIDE emphasizes the consumer's right to full and correct information on prices, quality of commodities, and on costs and efficiency of distribution. It aims to aid consumers in making wise and economical purchases by reporting changes in prices and costs of food and farm commodities. It relates these changes to developments in the agricultural and general programs of national recovery. It reports on cooperative efforts which are being made by individuals and groups of consumers to obtain the greatest possible value for their expenditures.

The producer of raw materials—the farmer—is dependent upon the consuming power of the people. Likewise, the consumer depends upon the sustained producing power of agriculture. The common interests of consumers and of agriculture far outweigh diversity of interests.

While the CONSUMERS' GUIDE makes public official data of the Departments of Agriculture, Labor, and Commerce, the point of view expressed in its pages does not necessarily reflect official policy but is a presentation of governmental and nongovernmental measures looking toward the advancement of consumers' interests.

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